



CC Do. 93-22

Federal Communications Commission  
Washington, D.C. 20554

October 24, 1994

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

The Honorable John Danforth  
United States Senate  
554 Dirksen Senate Office Building  
Washington, D.C. 20510

Dear Senator Danforth:

This letter responds to your correspondence on behalf of Deborah Murphy regarding charges on her telephone bill and relating to information services provided on 800 numbers. Your letter, as well as the complaint of your constituent, has been referred to the Enforcement Division of the Common Carrier Bureau for review. The Enforcement Division will communicate with your constituent upon completion of its review.

The Telephone Disclosure and Dispute Resolution Act (TDDRA) was enacted by Congress in 1992 and required both the Federal Communications Commission and the Federal Trade Commission (FTC) to adopt rules governing the provision of pay-per-call services. Under the TDDRA, the FCC has jurisdiction over the telecommunications carriers involved in the transmission and billing of the telephone calls, while the Federal Trade Commission has jurisdiction over the information service companies themselves.

The TDDRA generally required pay-per-call services to be provided on 900 telephone numbers and generally prohibited the provision of these services on 800 numbers, except in instances where the caller has entered into a presubscription agreement or comparable arrangement with the information service provider. Pursuant to the Commission's rules, which became effective on September 24, 1993, a presubscription agreement entails a formal contractual understanding whereby the consumer is provided clearly and conspicuously all terms and conditions associated with the use of the service and affirmatively agrees to abide by them.

The Commission has received numerous complaints similar to those described by your constituent. These complaints are processed by the Enforcement Division of the Common Carrier Bureau by serving a copy of the complaint upon the telecommunication carriers involved, who must generally respond in writing within 30 days. Beyond reviewing these

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complaints and pursuing appropriate action to resolve them, the Commission has undertaken several efforts. First, Common Carrier Bureau staff has met with the carriers that provide the billing service for calls to 800 numbers as well as interexchange carriers who provide the 800 number transport to emphasize their obligations under the TDDRA and the rules of the Commission. Secondly, because the increase in the number of complaints has been so significant, we have started an investigation of these practices, with special focus on whether any companies have attempted to evade or violate our rules. Additionally, as part of the effort to make clear the carriers' responsibilities under the law, the Common Carrier Bureau has recently issued a ruling holding that the information provider's receipt of the originating telephone number, a practice that was serving as the premise of some charges, does not in itself constitute a presubscription agreement.

Moreover, on August 2, 1994, the Commission instituted a Notice of Proposed Rulemaking seeking to strengthen Commission rules to prevent abusive and unlawful practices under the TDDRA. Specifically, the Commission has sought public comment on a proposal to require that a presubscription agreement be established only with a legally competent individual and executed in writing, and that common carriers obtain evidence of the written agreement before issuing a telephone bill that contains charges for presubscribed information services. Under the proposed rules, these telephone bills could be addressed only to the individual who actually entered into the presubscription arrangement, not to the person or company whose telephone was used to place the call. The Commission has tentatively concluded that this and other proposed changes would significantly assist in eliminating the source of many consumer complaints. Enclosed is a summary of the Commission's action in this regard.

We appreciate receiving your correspondence. Please call upon us if we can provide any additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Kathleen M.H. Wallman", written in a cursive style.

Kathleen M.H. Wallman  
Chief  
Common Carrier Bureau

Enclosure

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## United States Senate

COMMITTEE ON COMMERCE, SCIENCE,  
AND TRANSPORTATION

WASHINGTON, DC 20510-6125

OCA  
CC-800  
CC-900

4601

September 8, 1994

Ms. Judith Harris  
Director, Legislative Affairs  
Federal Communications Commission  
1919 M Street, N.W.  
Washington, D.C. 20554

Dear Ms. Harris:

Enclosed is a copy of a letter that was sent to me by Ms. Deborah Murphy of Chesterfield, Missouri. Ms. Murphy is concerned that the 900 number block installed on her telephone can be bypassed by dialing an 800 toll-free number that automatically connects to a 900 service.

I would appreciate receiving information on this matter at your earliest convenience.

Thank you for your assistance.

Sincerely,



John C. Danforth

Enclosure

August 18, 1994

Senator John Danforth  
United States Senate  
Washington, DC 20510

9/21  
Debbie Murphy  
117 Spring Gate Drive  
Chesterfield, MO 63017

Dear Senator Danforth:

Recently, I was charged \$20.55 for an 800-number call that I did not make. There are two problems with this situation. The first is that neither I nor anyone else in my household made this phone call and there is no way to dispute this charge over the telephone. The second problem is that although I had all 900 number calls blocked for my phone number, I am now being charged for what is essentially a 900 call. In any case, my rights as a consumer to decide what I will or won't buy and my ability to dispute charges are being denied by Intermedia and LDBC, their billing company. Intermedia is a live-conversation sex-talk line.

I called LDBC, which is the company listed on my bill to dispute this call, and was told to write an address in Georgia, because they simply bill for this company but do not handle disputes. I then called Southwestern Bell Telephone and was told they just bill for LDBC and they were unable to deal with this dispute. The customer service representative advised me to write the FCC. She also explained that although this was an 800 number, it connected to a 900 number. I have a 900 number call block on my telephone line. When I arranged for this block, I intended that only normal long distance charges should be billed to my phone number.

After speaking to a second Southwestern Bell Telephone representative, I was told that they would bill the charges back to the carrier, but that the carrier could get a collection agency after me to pay the bill. I then wrote a letter to Intermedia, the talk line company to dispute my phone bill.

I would like 800 calls that turn into 900 calls either eliminated completely or regulated the same way 900 calls are. Namely, all calls that would add an additional charge should be blocked at the consumer's discretion, not at some sleazy company's. If these companies want to charge people for live conversation, they should be required to get a credit card number for any additional charges rather than converting 800 and regular long distance lines to pseudo-900 numbers. This practice is a violation of my rights as a consumer of telephone services and urge the Congress to pass legislation to regulate this situation.

The following is an excerpt from a recent Riverfront Times article that dealt with this situation:

With the "Dial-a-Porn" bills of 1988: federal regulations require 900 services get the

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caller's Social Security number to determine if they're 18 or older when calling prerecorded salacious messages. For one on one sex talk, it's up to the seller to decide if the caller sounds old enough to be aroused. Laws passed in 1992 put further restrictions on 900 calls, including requirements that the caller knows the per minute rate and that the person who pays the phone bills has recourse if faced with paying for unauthorized calls. But direct long-distance calls aren't subject to such regulation. Nor are 800 calls, a loop-hole that the FCC announced last week it wants to close up soon.

Sincerely,

*Deborah A. Murphy*

Deborah A. Murphy  
117 Spring Gate Drive  
Chesterfield, MO 63017